

Message Text

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SUBJECT: PRESIDENT MARCOS DECREES MINIMUM WAGE INCREASE AND NEW
STEP TOWARD LOW COST WORKERS HOUSING

SUMMARY. PRESIDENT MARCOS ISSUED TWO NEW PRESIDENTIAL
DECREES DURING THE MAY 1ST LABOR DAY CELEBRATION AT
MALACANANG: (A) INCREASING THE MINIMUM WAGE 1 TO 2
PESOS PER DAY ON A REGIONAL BASIS, (B) ORDERING ALL
LAND OWNERS TO STATE UNDER OATH THE SIZE OF THEIR HOLD-
INGS, TIME LAND OWNER HAS OWNED HIS LAND AND WHAT HE INTENDS TO DO
WITH IT. LATTER DECREE INTENDED TO BE RESPONSIVE TO
TUCP MANIFESTO REQUEST FOR MORE WORKERS HOUSING AND
ALLEGELY BASED ON MARCOS' ASSERTION THAT LAND SPECULATION
IS THE PRIMARY OBSTACLE TO LOW COST HOUSING.
BUCLURAN AND SOME PRIESTS AND BENEDICTINE NUNS CARRIED OUT SMALL
DEMONSTRATION IN MANILA AGAINST WHAT THEY CLAIMED WAS
AN INADEQUATE MINIMUM WAGE, BUT LABOR IN GENERAL MEEKLY
ACCEPTED INCREASE SUBSTANTIALLY UNDER THEIR P18 TAJDET.
END SUMMARY.

1. THE MAY 1ST LABOR DAY CELEBRATION AND BEFORE
A CAREFULLY SELECTED AND SCREENED OVERFLOW CROWD OF
WORKERS AND THEIR REPRESENTATIVES AT MARHARLIKA HALL
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IN MALACANANG, PRESIDENT MARCOS INCREASED THE NATIONAL

MINIMUM WAGE AS FOLLOWS: (A) FROM 8 TO 10 PESOS A DAY FOR NON-AGRICULTURAL WORKERS IN METROPOLITAN MANILA. (B) FROM 8 TO 9 PESOS A DAY FOR NON-AGRICULTURAL WORKERS OUTSIDE METROPOLITAN MANILA. (C) FROM 6 TO 7 PESOS A DAY FOR AGRICULTURAL WORKERS IN PLANTATIONS OR ORGANIZED AGRICULTURE. (D) FROM 4.75 TO 6 PESOS A DAY FOR ALL OTHER TYPES OF AGRICULTURE. BEFORE ANNOUNCING THE INCREASE, MARCOS REMINDED THE ASSEMBLED AUDIENCE, THE TELEVISION AUDIENCE AND THE PRESS THAT SINCE HE PROCLAIMED MARTIAL LAW, IT HAS BEEN THE POLICY OF HIS GOVERNMENT TO IMPROVE THE LIVING STANDARDS OF THE WORKERS. HE RECALLED THAT SINCE HE TOOK OVER, THE MINIMUM WAGE WAS INCREASED FROM 4 TO 6 PESOS IN 1965 AND THEN FROM 6 TO 8 PESOS IN 1970. HE FURTHER REMINDED HIS AUDIENCE THAT HIS GOVERNMENT HAS PROVIDED, SINCE 1974, CASH BENEFITS TO WORKERS IN ADDITION TO MINIMUM WAGE AMOUNTING TO 27.6 PERCENT BY GRANTING A MONTHLY COST OF LIVING ALLOWANCE, THE 13TH MONTH BONUS, 10 HOLIDAYS WITH PAY, 30 PERCENT PREMIUM PAY FOR WORKING HOLIDAYS AND 10 PERCENT NIGHT DIFFERENTIAL PAY. THESE BENEFITS PLUS THE NEW MINIMUM ARE SUPPOSED TO PROVIDE FOR AN EFFECTIVE MINIMUM OF 13.40 PESOS PER DAY FOR THE NON-AGRICULTURAL MANILA WORKERS.

2. WORKERS HOUSING. PRIOR TO ANNOUNCING THE INCREASED MINIMUM WAGE, MARCOS TOLD HIS AUDIENCE THAT THE TUCP MANIFESTO REQUEST FOR MORE URBAN WORKERS HOUSING WAS PROVING VERY DIFFICULT TO IMPLEMENT. THE BIG OBSTACLE, HE SAID, WAS THE HIGH COST OF LAND. SO BEFORE HE COULD IMPLEMENT AN EFFECTIVE HOUSING PROGRAM, HE HAD TO FIND OUT WHO IS VIOLATING THE LAW THAT PUTS A LIMIT ON LANDHOLDINGS AS ESTABLISHED BY THE CONSTITUTION AND WHO IS ACQUIRING LAND JUST FOR SPECULATION, TO THE DETRIMENT OF WORKERS. SO THEREFORE, HE SAID, "I ORDER EVERY LANDOWNER TO STATE UNDER OATH THE SIZE OF HIS HOLDINGS, HOW LONG HE HAS OWNED IT AND WHAT HE INTENDS TO DO WITH IT". HE FURTHER ORDERED THE DEPARTMENT OF NATURAL RESOURCES, THE HUMAN SETTLEMENTS COMMISSION AND THE DEPARTMENT OF AGRICULTURE TO CONDUCT A COMPULSORY SURVEY OF LIMITED OFFICIAL USE

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THE OWNERSHIP OF ALL KINDS OF LANDS, WHETHER AGRICULTURE OR URBAN. WHEN THAT IS DONE, WE CAN MAKE EFFECTIVE PLANS FOR HOUSING, HE SAID.

3. REACTION. THE NEWLY CREATED TRADE UNION CONGRESS OF THE PHILIPPINES (TUCP) MADE A STRONG JUSTIFICATION FOR A MINIMUM WAGE OF 18 PESOS A DAY AT THE RECENT TRI-PARTITE CONFERENCE IN BAGUIO. DESPITE THIS, BERT OCA,

PRESIDENT AND KITO MENDOZA, GENERAL SECRETARY OF THE TUCP WERE QUOTED IN THE PRESS AS SAYING THE NEW 10 PESO MINIMUM WAS "AN ACCEPTABLE COMPROMISE". HOWEVER, OCA TOLD LABATT THAT, "WE KNEW THE PRESIDENT WAS GOING TO MAKE THE FINAL DECISIONS, AND THAT NEDA DIRECTOR GENERAL GERARDO SICAT WAS OPPOSED TO ANY INCREASE IN THE MINIMUM WAGE. ALL WE COULD DO IS STAND FIRM ON OUR CLAIM FOR 18 PESOS AND TAKE WHAT WE CAN GET". "ACTUALLY", HE SAID, "THIS WILL ENCOURAGE THE UNIONS TO SEEK MORE IN THEIR COLLECTIVE BARGAINING AGREEMENTS (CBA) WHEN THEY EXPIRE." OCA SAID THE TUCP WAS OPPOSED TO TRYING TO SEEK WAGE REOPENERS IN THE CBA. "THE CONTRACT HAS GOT TO BE RESPECTED," HE SAID.

4. AT A MAY 1ST DINNER FOR DELEGATES TO THE TRIPARTITE CONFERENCE, BLAS OPLE TOLD THE GROUP THAT BUCLURAN AND SOME PRIESTS AND BENEDICTINE NUNS PUT ON A DEMONSTRATION ALONG TAFT AVENUE THAT AFTERNOON. THEY OPPOSED THE NEW MINIMUM WAGE AND SUPPORTED THE 18 PESO MINIMUM. ASSOCIATED PRESS AND THE STARS AND STRIPES RAN A STORY CLAIMING 2,000 PEOPLE STARTED TO DEMONSTRATE AFTERSU ROMAN CATHOLIC LABOR MASS IN DE LA SALLE UNIVERSITY. THE DEMONSTRATORS WERE PEACEFULLY PREVENTED FROM MARCHING TO THE AIRPORT WHERE PRESIDENT MARCOS WAS ENPLANING FOR LONDON. NOT A WORD APPEARED IN THE LOCAL PRESS ABOUT ANY OPPOSITION TO THE NEW MINIMUM WAGE.

5. COMMENT. ALTHOUGH BENEFITS CITED BY THE PRESIDENT ARE CALLED FOR IN THE NEW LABOR CODE, THEIR ENFORCEMENT DEPENDS ON THE DEPARTMENT OF LABOR. ITS RECORD IS POOR AND ECONOMIC PLANNING STUDIES BY THE UNIVERSITY LIMITED OFFICIAL USE

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OF THE PHILIPPINES REPORT THAT NO MORE THAN 40 PERCENT OF ALL WORKERS ENTITLED TO MINIMUM PAY GET IT. THE DAY BEFORE MAY DAY, A CENTRAL BANK REPORT WAS RELEASED TO THE PRESS INDICATING THAT THE REAL WAGES, OR THE AMOUNT OF GOODS A WORKER CAN BUY, TOOK A DIP SINCE 1966. REAL WAGES FOR UNSKILLED WORKERS, OR THOSE MOST AFFECTED BY THE MINIMUM WAGE LAW, DROPPED 20 PERCENT DURING THE 10 YEAR PERIOD. REAL WAGES OF UNSKILLED WORKERS IN 1974 FELL 20 PERCENT, THE WORST DROP SINCE 1949. EMBASSY ANTICIPATED THAT MARCOS' ADVISORS WOULD PLACE GREATEST EMPHASIS ON NEED TO MAINTAIN A LOW WAGE PROFILE. SICAT'S OPPOSITION TO AN INCREASE WAS MOST LIKELY BASED ON A CONCERN TO MAINTAIN WHATEVER COMPETITIVENESS PHILIPPINE INDUSTRY MIGHT PRESENTLY ENJOY BECAUSE OF LOW-PRICED LABOR. SICAT APPARENTLY DOES NOT CONSID-

ER A MINIMUM WAGE TO BE ENFORCEABLE IN ANY CASE, BUT TO THE EXTENT THAT IT IS, BELIEVES THAT IMMEDIATE WORKER BENEFITS SHOULD BE SUBORDINATED TO A LONG-TERM STRATEGY OF INDUSTRIALIZATION AND EXPANSION OF EXPORT MARKETS FOR MANUFACTURES.

ALTHOUGH THE WAGE INCREASE IS MARGINAL, IT WILL PROVIDE LEVERAGE FOR THE UNIONS IN FUTURE BARGAININGS WITH EMPLOYERS. THE 90 PERCENT OF LABOR STILL UNORGANIZED WILL PROBABLY BENEFIT LITTLE FROM THE DECREED INCREASES. IT IS DOUBTFUL THERE WILL BE ANY SIGNIFICANT OPPOSITION FROM MOST LABOR CIRCLES TO GOVERNMENT'S DECISION. CHURCH CIRCLES AND THE BUCLURAN MOVEMENT, HOWEVER, MAY ATTEMPT TO CONTINUE AGITATION SINCE THERE APPEAR TO BE REASONABLE GROUNDS, INCLUDING THOSE OFFERED BY THE CENTRAL BANK, FOR GREATER WAGE INCREASE. WE UNDERSTAND THE GOVERNMENT WILL CRACK DOWN HARD ON THOSE THAT AGITATE NOW THAT THE WAGE LEVEL HAS BEEN "SETTLED".

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